



U.S. Department of  
Transportation

Office of the Secretary  
of Transportation

# ORDER

OST 4420.1B

2-10-89

Subject: **MANAGEMENT AND ACCOUNTABILITY OF OST PERSONAL  
PROPERTY**

1. **PURPOSE.** This Order establishes the Office of the Secretary (OST) policies and procedures for the management and accountability of personal property.
2. **CANCELLATION.** OST 4420.1A, Management of OST Personal Property, of 1-7-81.
3. **SCOPE.** The provisions of this Order apply to all offices of OST except the Office of the Inspector General (OIG).
4. **REFERENCES.**
  - a. Federal Property Management Regulations (FPMR), Sub-chapters E and H, which provide policies and guidelines pertaining to supply management and utilization and disposal of property.
  - b. DOT 1600.26, Department of Transportation (DOT) Physical Security Manual, of 11-29-77, which establishes basic standards and criteria for the protection of Department of Transportation (DOT) facilities and property.
  - c. DOT 1660.1A, Removal of Equipment from Department of Transportation Buildings, of 10-21-74, which establishes controls over the removal of equipment from DOT buildings.
  - d. DOT 1660.6, Reporting Procedures for Incidents Occurring Within the Department of Transportation (DOT) Headquarters Facilities, of 05-28-81, which establishes procedures for the reporting of all thefts and losses within DOT Headquarters facilities.
  - e. DOT 2700.12, Financial Management Control of Property, of 8-2-77, which prescribes policies and guidelines to ensure uniform and reliable accounting control and reporting of the Department's investment in property.
  - f. DOT 4410.1, Survey of Lost, Damaged or Destroyed Government Personal Property, of 11-20-75, which prescribes policies and procedures for the survey of lost, damaged or destroyed personal property.

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- g. DOT 4430.1, Accountability and Control of In-Use Accountable Personal Property, of 6-21-77, which prescribes policies, responsibilities and procedural requirements for the accountability and control of in-use accountable personal property within the DOT.
- h. DOT 4430.2B, Management of Office Furniture, of 10-15-85, which prescribes policies and procedural requirements pertaining to management of office furniture within DOT.

5. **OBJECTIVES.**

- a. Ensure adequate control and availability of personal property required to carry on programs and activities in connection with the internal operations of OST.
- b. Ensure the application of approved use standards, including those published in FPMR 101-25.3.
- c. Ensure that in-use personal property is used only for official and intended purposes.
- d. Establish responsibility of Property Custodians for the control, care and safekeeping of personal property within their custodial area.
- e. Ensure maximum utilization of excess personal property to fill requirements in accordance with established policies.
- f. Ensure the prompt reporting of any excess items.

6. **DEFINITIONS.**

- a. **Accountable Area.** The area, defined by organizational or geographical limits, for which a discrete set of property accountability records are maintained under the jurisdiction of the Property Management Officer.
- b. **Capitalized Property.** All personal property with an initial acquisition cost of \$5,000 or more and an expected service life of two years or greater which is recorded in the general ledger account.
- c. **Custodial Area.** A subdivision of an accountable area defined by organizational or geographical limits for which a Property Custodian has been designated.
- d. **Excess Property.** Personal property which is no longer needed by a given organization and is available for transfer.

- e. Office Head. The head of a functional element of OST such as a Director or an Assistant Secretary.
- f. Personal Property. All tangible property, except real property and records of the Federal Government. In this Order, personal property will be referred to as property.
- g. Property Control. The physical and administrative protection of property assets to include their security, location, identity and recordation of property transactions. It also includes the care and protection, physical inventory and processing of property transactions.
- h. Property Custodian. The person designated in writing by the Office Head as being responsible for the custodial control of property within a specified custodial area.
- i. Property Management Officer. The person designated, by name or organizational position, as being responsible for the maintenance of a system of accountability and control for property within a specified accountability area. (Within OST, this is the Chief, Personal Property Operations Branch (M-443).)
- j. Physical Inventory. A physical count of property that is actually on hand and the comparison of that count with the applicable property records.
- k. Reconciliation. The process of matching and adjusting property records for a specific item to all other records to bring them into full agreement and to ensure that they accurately reflect the quantity, description, condition, location, custodian, etc., of the item.
- l. Sensitive Property. Property, regardless of acquisition cost, that by its nature is subject to theft, loss, conversion to personal use or for some other reason must be subjected to more stringent controls than other property.
- m. Survey. An administrative action whereby the loss, damage or destruction of Government property is investigated and reviewed to establish pertinent facts and to determine the extent or absence of employee personal responsibility for such loss, damage or destruction.

- n. Survey Officer. An individual designated to investigate and report on the circumstances surrounding the loss, damage or destruction of Government property.
- o. Survey Board. A three member panel established to investigate and report on the circumstances surrounding the loss, damage or destruction of Government property.

## 7. POLICY.

- a. No employee of OST shall use or authorize the use of Government property for other than official purposes.
- b. A survey shall be conducted when Government property is lost, damaged or destroyed.
- c. Furniture and equipment shall be selected, acquired, managed and controlled in a manner as to ensure:
  - (1) prudent expenditure of funds;
  - (2) conformance to reasonable standards of utility and appearance;
  - (3) avoidance of extravagance, ostentation and luxury;
  - (4) effective utilization of existing assets;
  - (5) prompt redistribution or disposal of unneeded assets;  
and
  - (6) effective control and protection of in-use property.

## 8. RESPONSIBILITIES.

- a. Property Management Officer. The Chief, Personal Property Operations Branch (M-443), Personal Property Division, Office of Administrative Services and Property Management, has been designated as the Property Management Officer for OST. This official is responsible for establishing procedures for the control, use and care of OST property. These responsibilities include:
  - (1) establishing standard procedures for the physical control of all property;
  - (2) approving and processing all requests for property acquisitions under established fund limitations and processing requests for disposal;
  - (3) scheduling and conducting periodic and special inventories of all OST property;

- (4) maintaining records for the management of all OST property including in-use, stocked, excess and surplus property;
  - (5) implementing a system to identify all in-use OST property;
  - (6) conducting surveys and processing survey reports for all lost, damaged or destroyed accountable property;
  - (7) coordinating the establishment or revision of custodial areas with Office Heads;
  - (8) conducting periodic evaluations of the property management system performance and effectiveness; and
  - (9) assisting the reconciliation of property records to the financial records.
- b. Office Heads. Each Office Head has the responsibility for the management of property under his/her jurisdiction. Each Office Head shall establish, in coordination with the Property Management Officer, custodial areas necessary for control of property within the area of office responsibility. To assist in accomplishing this task, each Office Head shall designate an individual as Property Custodian with the responsibilities outlined in Paragraph 8c below. This designation, and any changes thereto, shall be submitted in writing to the Property Management Officer.
- c. Property Custodians. This person shall exercise control over the property assigned to his/her custodial area and shall be responsible for the care and safekeeping of assigned property. The Property Custodian shall:
- (1) advise the Property Management Officer promptly of any changes affecting custody of the assigned property;
  - (2) ensure that accurate and complete survey reports for lost, damaged or destroyed property are submitted in a timely manner;
  - (3) utilize to the fullest extent possible the OST loan pool for property needed on a temporary or intermittent basis (the loan pool has limited quantities of personal property such as tape recorders and audio visual equipment which are available on a temporary basis in lieu of procurement of low utilization items);

- (4) identify and report to the Property Management Officer all property excess to the program needs of his/her custodial area;
- (5) assist the Property Management Officer in taking physical inventories of assigned property in accordance with the procedures set forth in this Order;
- (6) ensure that all property in his/her custodial area is in serviceable condition;
- (7) ensure that appropriate documents are provided to the Property Management Officer in a timely manner covering the acquisition, receipt, transfer, disposal, loss, damage or destruction of property assigned to custodial area; and
- (8) maintain property custodial records of assigned property.

d. Individual Employees. All OST employees shall:

- (1) ensure the proper care and protection of all Government property assigned for his/her use;
- (2) ensure that Government property assigned to his/her control is used only in the conduct of official Government business; and
- (3) immediately report to their Property Custodian any property that is lost, stolen, damaged or in need of repair.

9. ACQUISITION.

a. General.

- (1) All requests for furniture or equipment must have a full justification including the name, grade, title and room location of the employee who will use the furniture or equipment.
- (2) All Procurement Requests (PR's), DOT F 4200.1, for personal property (supplies, furniture and equipment) shall be reviewed and signed by the Property Management Officer (M-443) prior to sending the PR to the Fund Administrator. This review process shall be accomplished in not more than three working days. For automatic data processing equipment (ADPE), PR's shall be reviewed and signed by a representative of the Transportation Computer Center (M-35) prior to forwarding to the Property Management Officer.

b. Procedures.

- (1) For Salaries and Expense (S&E) funded activities, requirements for the acquisition of property shall be submitted by employees to the Property Custodian on an OST F 4420.1, Request for Personal Property Acquisition or Disposal. The Property Custodian, after appropriate review, shall first attempt to meet the requirements from within his/her custodial area. If the requirement cannot be met from within the custodial area, the Property Custodian shall sign and forward an original and two copies of the form to the Property Management Officer.
- (2) For Working Capital Fund (WCF) activities, the Property Custodian shall first make a telephone inquiry to the Property Management Officer to see if an item is available in stock to fill their requirements. If the item is available from stock, the Property Custodian shall submit an original and two copies of an OST F 4420.1, Request for Personal Property Acquisition or Disposal. If the item is not in stock, the Property Custodian shall complete a PR and send it to the Property Management Officer for review prior to sending to the Fund Administrator.
- (3) The Property Management Officer, upon receipt of the OST F 4420.1 or PR, shall ensure that the request is proper and constitutes a valid requirement. (Note: All requests for file equipment shall first be reviewed by the OST Records Management Officer (M-443.1).) The Property Management Officer shall indicate approval or disapproval on the request or PR and return a copy to the Property Custodian.
- (4) The Property Management Officer shall fill the approved request from one of the following sources of supply in the order in which they are listed below:
  - (a) OST stock;
  - (b) DOT excess;
  - (c) other Federal agency excess; or
  - (d) new procurement.

c. Receipt of Property.

- (1) For S&E funded activities, all incoming property shall be inspected by the Property Management Officer to determine if it is in an acceptable condition. Upon

receipt and acceptance, the Property Management Officer shall complete the reverse side of the pink copy of OST F 4200.1, Order for Supplies or Services, and forward it to the Accounting Operations Division (M-86). When property is delivered by the Property Management Officer to the Property Custodian, the Property Custodian shall inspect the property to determine if it is in an acceptable condition. The Property Custodian will then acknowledge receipt by signature on an OST F 4420.1 and return the form to the Property Management Officer. This form will be used for updating the master property records.

- (2) For WCF funded activities, all incoming property shall be inspected by the Property Custodian to determine if it is in an acceptable condition. Upon receipt and acceptance of the property, an OST F 4200.1, Order for Supplies or Services, shall be completed. The pink copy of this form will serve as the receiving report. All pertinent information shall be filled in on the reverse side and all serial numbers shall be written by the appropriate equipment on the front of the form. After completing all pertinent information, this pink copy shall be forwarded to the Accounting Operations Division (M-86) and a copy of the form shall be sent to the Property Management Officer (M-443). This form shall be used for entering appropriate information into the master property records and the accounting records.

#### 10. ACCOUNTABILITY AND CONTROL.

- a. Property Records. The Property Management Officer shall maintain the master property records for all OST accountable property that (a) meets the capitalization criteria contained in DOT 2700.12; (b) is included on the mandatory sensitive items list (see Attachment 1); (c) is borrowed or leased; (d) is non-expendable personal property having an acquisition cost of \$500 or greater; or (e) is non-sensitive, non-expendable property costing less than \$500 that the Property Management Officer determines needs to be controlled to support a valid management requirement. S&E funded property records must be separately identified from WCF funded property records.
- b. Hand Receipts. A method of control through the use of hand receipts can be used for items that are issued to individuals exclusively for their use. When property is issued to an employee for personal custody, the Property



Custodian may deem it appropriate to prepare an OST F 4420.4, Personal Property Hand Receipt. This will be signed by the employee receiving the property. The original shall be retained by the Property Custodian and a copy shall be given to the employee. Upon return of the property, the Property Custodian shall give the original to the employee.

c. Procedures for Accountability and Control.

- (1) All personal property (furniture and equipment) PR's shall be reviewed and signed by the Property Management Officer prior to sending the PR's to the Fund Administrator. This will enable the Property Management Officer to establish future accountability and control and determine if the property is available from excess.
- (2) The Property Management Officer shall establish a pending file using a copy of the signed PR. This pending file will be used to track and follow-up with the Property Custodians on the status of the property.
- (3) The Procurement Office shall send a copy of all Purchase Orders (PO's) issued for personal property to the Property Management Officer. These PO's will be added to the pending file for tracking the status of the property.
- (4) When property is received and accepted, the pink copy of OST F 4200.1, Order for Supplies or Services, will serve as the receiving report. All pertinent information should be filled in on the reverse side, all serial numbers should be written by the appropriate equipment listed on the front of the form, and the pink copy should be sent to the Accounting Operations Division (M-86). A copy of this receiving report must also be sent to the Property Management Officer (M-443). This form shall be used for entering appropriate information into the master property records and the accounting records.
- (5) All items entered into the master property records will have a bar code label affixed to them. This method of identifying property will greatly enhance the physical inventory process. The Property Custodian must provide to the Property Management Officer information on any changes in the movement of property, such as transfer from one custodial area to another. This information should be reported on an

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OST F 4420.1, Request for Personal Property Acquisition or Disposal, and have the approval of the Property Management Officer before transfer is made from one custodial area to another. Computerized inventory printouts shall be issued periodically by the Property Management Officer to the Property Custodians.

- (6) The Accounting Operations Division (M-86) and the Property Management Officer shall reconcile the master property records and the general ledger accounting records. This reconciliation shall be conducted quarterly.

d. Physical Inventory Procedures.

- (1) General. Physical inventory of property validates official records and aids in the property control process. These procedures apply to all OST-owned or -leased personal property, except library publications.
- (2) Frequency. The specific timetable for the physical inventories shall be established by the Property Management Officer. Capitalized property shall be inventoried in accordance with DOT 2700.12, Financial Management Control of Property. Noncapitalized accountable property shall be inventoried at a frequency commensurate with good practice. As a minimum, this inventory shall be accomplished at least every three years.
- (3) Special Inventories. Each time a Property Custodian leaves, an inventory shall be accomplished and reconciled jointly by the Property Custodian and the Property Management Officer. The new Property Custodian will acknowledge responsibility for assigned property by signing the bottom page of the property custodial record. This inventory must take place before the previous Property Custodian leaves and the new Property Custodian is appointed. Office Heads shall notify the Property Management Officer of any changes in assignment. The property account must be cleared before the Property Custodian transfers. If circumstances prevent an inventory from being completed before the Property Custodian leaves, the Property Custodian's immediate supervisor will be held responsible.
- (4) Inventory Notification. The Property Management Officer shall inform the Property Custodians of the timetable for conducting the physical inventories. The Property Custodian shall ensure that all items of property are present in his/her custodial area for the inventory.

(5) Inventory Reconciliations.

- (a) The Property Management Officer and the Property Custodian shall reconcile the physical inventory to the master property records and prepare a list of the differences. The Property Custodian shall then attempt to locate any missing items. If this attempt is unsuccessful, the Property Custodian shall prepare a Report of Survey in accordance with Paragraph 16 of this Order and send it to the Property Management Officer. A listing of the missing items should also be sent to the OST Office of Security (M-70).
- (b) The Property Management Officer will ensure that the survey process is initiated and followed through to completion. The Property Management Officer, after approval of the Report of Survey, shall adjust the master property records to agree with the results of the physical inventory.
- (c) The Accounting Operations Division and the Property Management Officer shall promptly reconcile the master property records to the financial records. The Accounting Operations Division shall record the necessary adjustments in the appropriate general ledger control accounts.

11. PROPERTY UTILIZATION.

- a. General. To maximize utilization of property and minimize the procurement of new items, it is OST's policy to reassign available property from within the custodial area or obtain excess property from other OST Offices, Operating Administrations or other Federal agencies.
- b. On-site Surveys. Periodic on-site utilization surveys shall be made of all in-use furniture and equipment. These surveys will be in the form of a walk-through inspection of each custodial area and may be concurrently performed with the physical inventories. The on-site surveys shall also be used as a means for identifying items in need of repair or rehabilitation.

• **MAINTENANCE AND REPAIR.**

- a. It is OST's policy that maintenance and repair of in-use equipment shall be accomplished by the most cost-effective method available to maintain or restore official property to a condition required to accomplish the OST missions.
- b. Maintenance and repair for the following types of equipment may be requested by calling the responsible organization. Telephone numbers may be obtained by consulting the DOT Telephone Directory.
  - (1) Office equipment (typewriters, calculators, recorders, etc.) - contact the Personal Property Division (M-44).
  - (2) ADP and word processing equipment - contact the Transportation Computer Center (M-35).
  - (3) Printing equipment and photocopy equipment - contact the Publication Services Division (M-48).
  - (4) Paging equipment (pagers, beepers, bell-boys, etc.) - contact the Telecommunications Division (M-33).
- c. OST employees shall ensure that maintenance or repair is requested for OST-owned or -leased personal property. If service has not been performed satisfactorily, or excessive downtime is observed, the employee shall contact the responsible organization listed above.

13. **PROPERTY DISPOSAL.**

- a. Property Custodians shall immediately notify the Property Management Officer of property no longer required for their needs. Property for disposal shall be listed on a OST F 4420.1, Request for Personal Property Acquisition and Disposal.
- b. The Property Management Officer will arrange to have property picked up and removed from the custodial area. Property should be stored and secured properly. Excess property shall not be placed in building hallways.
- c. In the field offices, Property Custodians will submit an OST F 4420.1, to the Property Management Officer. If the furniture or equipment is needed for reissue within OST, the Property Management Officer will arrange for shipment to the DOT Warehouse by Government Bill of Lading (GBL). If it is determined that the property is not needed, the Property Management Officer will report it to General Services Administration.

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14. **LOSS OR THEFT OF PERSONAL PROPERTY.** In the event of loss or theft of OST property, the following actions shall be taken immediately:
- a. conduct a thorough search to ensure that the item has not been moved or misplaced;
  - b. notify the OST Office of Security (M-70) by completing DOT F 1660.6, Incident Report. A copy of the form shall also be sent to the Property Management Officer; and
  - c. complete a Report of Survey Form, in accordance with Paragraph 16 of this Order, and submit the form to the Property Management Officer. This form provides the information used to determine pecuniary liability, if any, for Government property which is lost, stolen or destroyed.
15. **REMOVAL OF PERSONAL PROPERTY.**
- a. Government property shall not be removed from the premises except for official use. An individual who removes Government-owned or -leased property shall complete a DOT F 1660.2, Property Removal Record, and shall give it to the building guard when leaving the premises. Approval must be obtained from the Property Custodian before removal of property.
  - b. OST personnel who have a continuing need for the performance of their duties to remove Government-owned property (e.g., photographer's camera equipment) may be issued a DOT F 1660.3, Property Security Pass. The Property Security Pass, which shall be issued for a period of active need not to exceed one year, shall be obtained by contacting the OST Office of Security.
16. **REPORT OF SURVEY PROCESS.**
- a. **Policy.** It is OST policy that a survey be made when Government property is lost, damaged or destroyed. It is the ultimate objective of each survey to determine whether employee responsibility does or does not exist.
  - b. **Designation.** The Property Management Officer shall designate a Survey Board and Survey Officers. The Survey Board shall consist of three responsible OST employees, each of whom has been designated as a Survey Officer. One member of the Survey Board shall be designated as chairperson.

**c. Survey Procedures.**

- (1) All survey reports shall be initiated by the Property Custodian in the office charged with the property. All employees having knowledge of a condition with respect to property requiring a Survey Report shall provide information to the Property Custodian.
- (2) Upon receipt of the survey report, the Property Management Officer will assign a number and establish a case file. The Property Management Officer will add comments, if any, and refer the survey report to the Survey Officer or the Survey Board. All survey reports covering losses exceeding \$5,000 shall be referred to a Survey Board.
- (3) The Survey Officer or Survey Board will fully investigate each survey report and will make written findings and recommendations. Upon completion of the survey report, the case will be referred to the Approving Official.
- (4) The Approving Official will either approve the findings and recommendations of the report or direct further investigation by the Survey Officer or Survey Board. All survey reports covering losses up to \$25,000 shall be approved by the Chief, Personal Property Division; reports covering losses between \$25,000 and \$500,000 shall be approved by the Director of Administrative Services and Property Management; and all reports covering losses exceeding \$500,000 shall be approved by the Assistant Secretary for Administration. The Property Management Officer will provide procedures to the Survey Board and Approving Officials.
- (5) After approval of the survey report, the Property Management Officer will take action to remove the items from the master property records and promptly notify the Accounting Operations Division to adjust their records.
- (6) In those cases where it is determined that personal responsibility exists, consideration will be given to subjecting the responsible individual to pecuniary liability and disciplinary action. A copy of the survey report will be processed to the employee's supervisor for consideration of possible disciplinary action.

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17. **FORMS AVAILABILITY.** Requirements for forms referred to in this Order shall be submitted in writing to the Utilization and Storage Section (M-443.2), 400 Seventh Street, S.W., Washington, D.C. 20590. All requests shall include the name of requester, routing symbol, building and room number, telephone number, number and/or title of publication or form, and number of copies requested.

FOR THE SECRETARY OF TRANSPORTATION:



Melissa J. Allen  
For the Assistant Secretary  
for Administration





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ATTACHMENT 1  
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**MANDATORY SENSITIVE ITEMS LIST**

Audio-visual equipment

Binoculars

Automatic Data Processing equipment

Computer/Micro-processor software

Cameras, projectors and photographic development equipment

Calculators, adding machines

Communications equipment

Electronic test equipment

Firearms/ammunition

Tape recorders, audio and video

Television sets

Typewriters

Word processing equipment

**Note:** Items costing less than \$100.00, at acquisition, regardless of sensitivity (except firearms/ammunition and software), will not be included in accountable property listings and shall not be subjected to formal accountability.

